

Socialist Worker

Kaimahi Whakahuihui

For Workers' Power and International Socialism

\$1

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No. 35 July 21, 1997

\$7.5 billion wealth of NZers on 'Rich List' shows there's the money to cure poverty

Killer epidemic linked to poverty

THE PRESENT epidemic of deadly Type B meningitis will worsen as long as children live in poverty, says Plunket Society national paediatrician Dr Pat Tuohy.

Health Ministry director of public health Dr Gillian Durham warns that Aotearoa faces a public health emergency.

Public health statistics reveal that 193 people have been struck by the disease this year, compared to 152 at this time in 1996. 13 have died so far in 1997, compared to six last year.

The outlook is grim, with no proven vaccine for the Type B killer strain prevalent here. In its early stages it produces flu-like symptoms.

Worst rate

New Zealand has the worst rate of the disease among developed countries, seven times higher than the average. "We have no evidence that our epidemic has peaked," noted Dr Durham.

Dr Tuohy commented: "There is increasing evidence that larger and larger numbers of children live in poverty, and until that issue is addressed the epidemic will continue to get worse.

"Meningitis is primarily a disease which is more common in poorer areas, and is probably related to things like overcrowding.

"We really have to look at the underlying causes of ill-health in children - the major one is poverty."

The government is well aware of the growing poverty in Aotearoa. Whole forests have been turned into paper to produce reports on poverty for cabinet ministers. But little notice has been taken except when public protests have forced some government action.

It's criminal that our kids are dying of meningitis and other illnesses of poverty when the government has been running multi-billion surpluses for the last four years. These surpluses are turned into tax cuts for the rich and frigates for the navy while our once-

proud health and education services go to ruin.

And cabinet ministers are pressing ahead with more market madness. Winston Peters wants to penalise beneficiaries with a Code of Social Responsibility, Jenny Shipley wants to privatise roads, electricity and water, and Max Bradford wants to make the Contracts Act even worse for workers.

We won't get justice by nice appeals to the government. We can't afford to sit around for another two-and-a-half years to vote them out. It will take mass actions from below to make a difference.

'Rich List' faces of privilege



John Todd:
family fortune
\$1,400m

Doug Myers,
beer baron:
\$310m



Alan Gibbs,
banker: \$220m

THE PERSONAL fortunes of these three men and their families adds up to almost \$2 billion.

They and the other 141 individuals and families on *National Business Review's* 'Rich List' are worth a total of \$7.5 billion.

Doug Myers chairs the Business Roundtable, the

big business lobby group which has shaped the policies of all NZ governments since 1984.

They've grown fat from the "more market" policies which have hampered the rest of us. It's time they were made to pay for the social carnage they've caused.



■ CHINA

Armed police attack 100,000 strikers

by GRANT MORGAN

MANY THOUSANDS of strikers were attacked by armed police on July 10 in the central Chinese province of Sichuan.

Demonstrations erupted in the city of Mianyang after three textile factories went bankrupt and it was found that unemployment relief funds had been embezzled by corrupt officials.

The workers were left penniless and without jobs. 100,000 took to the streets denouncing graft and appealing to the government to protect their livelihoods.

In an open letter, prominent Sichuan dissident Li Bifeng said the authorities "totally disregarded" the workers' appeals and instead "announced a curfew, drafted in large numbers of military police from surrounding districts and resorted to armed repression against the unarmed workers".

According to Li, more than 100 workers were injured and 80 were arrested. Police officials ordered

hospital staff not to treat the wounded demonstrators, comparing them to the "counter-revolutionary thugs who rioted in Beijing in 1989".

This is a reference to the pro-democracy movement which in 1989 was bloodily crushed by the army in Tiananmen Square.

The Tiananmen-style response to the Mianyang demonstrations reflects the government's deep fear of the new mood of resistance among Chinese workers.

The Asian bosses' magazine, *Far Eastern Economic Review*, is talking about "China's worst labour unrest since the 1949 Communist Revolution".

Exploitation

The "economic miracle" that's set to make China the biggest economy in the world within two decades is built on the savage exploitation of workers by the party bureaucrats.

This ruling class of state capitalists has forged a profitable alliance with foreign

multinationals. Offshore capital is flooding into China, attracted by its cheap labour and lack of genuine unions.

China is now the world's largest manufacturer of labour-intensive products and makes more of them than the rest of Asia combined.

Labour disputes rose in China by 73% in 1995, and a similar amount again last year.

Solidarity

There's a new trend of workers from different factories uniting in protest at market-driven austerity measures which have produced an unemployment rate of 24% in the cities.

Workers' solidarity was a prominent feature of an earlier wave of protests in Sichuan province.

In March, workers at the largest silk factory in the city of Nanchong went on strike to demand backpay owed to them.

They kidnapped their general manager just as he was about to start an all-ex-

penses paid junket to Thailand, and paraded him through city streets.

They were spontaneously joined by workers from other factories, until 20,000 occupied the city government building.

One worker at the Jialihua factory said: "We paralysed the city - nothing could move."

After a 30-hour standoff, the authorities agreed to fund the backpay with a loan to the company.

Another eyewitness describes what happened when word of the payoff reached other factories: "They demanded - and received - loans of their own."

The most recent events indicate that the government has now swung away from making concessions towards using force in response to workers' protests.

But the switch from concessions to force in the same province within the space of a few months suggests that the government isn't as confident of stemming the tide of discontent as it was in 1989.

letters

Socialist Worker welcomes your contribution. Post your letter to PO Box 8851, Auckland or fax 09 634 3984. Please include address or phone number to verify authorship and keep it under 200 words.

■ NATIONALIST CONCERNS

I READ with interest your middle page spread "Can we beat the multinationals?" (SW#34). It's a timely reminder that workers must fight both multinationals and NZ capitalists.

I have concerns with Left-wing activists turning to a nationalist response to globalisation.

A case in point is the current seafarers' dispute. With a proud history of union militancy and international solidarity, it's disappointing to see a nationalist flavour to their opposition (rightly so) to job losses.

NZ shipping industry bosses have been responsible to a large extent for NZ seafarers' jobs being reduced from 3,800 in the late '60s to 1,100 now.

Unionists must throw up slogans that show multinationals can be beaten by the collective power of all workers, without resorting to nationalist suggestions that Kiwi employers are a different class of fish.

Gordon Farris, WELLINGTON

■ THEY'VE NEVER SHOUTED SINCE

IT WAS good to see your analysis of the southern Irish elections (SW#33).

Rather than Ireland "swinging Right", a disillusioned Irish working class had deserted the ruling "rainbow" coalition's pink shades (the Labour Party and the Democratic Left) to vote Sinn Féin, Socialist and an array of independents.

A ballad of 1920s Ireland was resurrected to describe the most recent term of office of the Irish Labour Party and its fellow-travellers. It's also quite a good description of New Zealand First...

Oh, they preached it from the housetops,
And they whispered it by stealth,
They wrote whole miles of stuff against
The awful curse of wealth.
They shouted for the poor man,
And they called the rich man down,
They roasted every king and queen
Who dared to wear a crown.
They clamoured for rebellion,
And said they'd lead a band
To round up all the plutocrats
And drive them from the land!
They fumed, and roared, and ranted,
Till they made the rich man wince,
But - then they got a cabinet job...
And they've never shouted since.

Dean Parker, AUCKLAND

■ SPAIN

Basque repression fuels political killing

MASS PROTESTS swept Spain against the killing of a politician by Basque separatist group ETA.

Miguel Blanco was a conservative Basque town councillor who died after being shot in the head.

Unions scheduled a ten-minute silence in opposition to the killing.

The scale of the demonstrations shows how isolated ETA has become.

But while the media focused on this one killing, they've said little about why people in the region support self-determination.

General Franco's dictatorship in Spain, from 1939 to 1975, imposed a strong, centralised state. There was immense repression in the Basque country as a result.

Locals could be arrested simply for speaking the Basque language.

Since the end of the Franco dictatorship, all governments have refused to grant Basque people a vote on independence from the rest of Spain even though the majority of people in the region want it.

Governments have instead repressed ETA, which won 12% of the Basque vote in last year's general election.

Hundreds of ETA members are in prison. Many have been assassinated by the state.

Former Socialist Party prime minister Felipe Gonzalez was involved in establishing and funding a secret state terrorist organisation to assassinate ETA members.

ETA has increasingly cut itself off from ordinary people with its military campaign. But naked repression by the Spanish state offers no solution either.

■ BRITAIN

Dockers fight on as second anniversary nears

IT'S COMING up to the second anniversary of the sacking of Liverpool's dockers for refusing to cross a picket line.

The leadership of their union, the TGWU, let them down badly by refusing to make the dispute "official" and mobilise solidarity actions.

The officials said the TGWU had to stay within the law passed by the Tory government to shackle unions.

But the Liverpool dockers have fought on for almost two years. They've won wide support from other workers, both in Britain and internationally.

The NZ Seafarers Union has raised \$50,000 for them.

At the TGWU conference a couple of weeks ago, delegates voted convincingly to overturn their national executive's statement on the dockers. At first, however, the leadership refused to recognise the vote.

Only after an uproar of protest from the floor, with delegates booing and jeering, did the top table relent and announce a second vote. This showed the executive had been defeated by 283 votes to 182.

Unfortunately, because of the timidity of their officials, delegates didn't have the confidence to vote for a series of motions committing the TGWU to breaking the law, declaring the dispute official and throwing the union's full weight behind the fight.

During the debate the officials poured cold water on the dockers' struggle by warning that the union faced the sequestration of its assets if it broke the law. "What use is an impotent, sequestered TGWU?" said general secretary Bill Morris.

But delegates' speeches showed the potential to win if there was fighting leadership.

"I joined this union because I thought our job was to stand for working people," said one. "Is this union the cash and the building or is it its members and our will to fight?"

"If they are law breakers, then I'm a law breaker," said another delegate. "I want to support them."

There was applause for the delegate who said: "Let's press the Labour government to make it illegal to employ scabs."



Liverpool dockers lobbied a recent conference of the TGWU to demonstrate their disgust with their union leaders handling of the dispute

We won't win in Parliament

ALAMEIN KOPU made a good point when she said her attendance in Parliament had largely been a waste of time.

Kopu said she represented the poor people of Maoridom.

"For the first time in history we have 15 [Maori] MPs in there but none of us are doing anything for them," she said.

Her experiences bring to mind the saying: "If voting changed anything, they'd abolish it".

The real power doesn't lie in Parliament, which is why Labour governments usually dis-appoint their working class supporters.

Real power lies in the sumptuous board-rooms of corporate fat cats who control the economy and in the glass castles of unelected bureaucrats from Treasury and the Reserve Bank and in the secret citadels of frightening chiefs of the army, police and other state thugs.

That's why Alliance leader Jim Anderton is out of line when he criticised Kopu for staying away from Parliament.

It's the wrong criticism to make of the person who's just resigned from the Alliance to become an "independent" MP.

The criticism that Anderton should be making of Kopu's behaviour is her slide towards the Right.

Kopu describes her kaupapa as tino rangatiratanga (Maori self-determination) and says she feels more comfortable with NZ First because it's a "Maori" party.

Referring to her split from the Alliance, Kopu stated: "The reaction of the NZ First party has been as Maori, and rightfully so."

In fact, NZ First has joined with National, the open representative of the bosses, to continue the "more market" policies which have inflicted an unemployment rate of 16% on working class Maori.

The budget just presented by NZ First leader Winston Peters delivered nothing to flaxroots Maori.

NZ First has given power to National, a party of business class red-necks which has always trampled over Maori.

National is the party which tried to inflict the fiscal envelope on Maori. Jim Bolger now spouts the rhetoric of "cultural diversity", but he's no fan of tino rangatiratanga.

The Alliance is the only parliamentary party supporting tino rangatiratanga, at least in words. That's one of the reasons it's hated by the born-to-rule pricks who run National.

Kopu is wrong when she slams Alliance deputy leader Sandra Lee for not being a "real Maori".

"She doesn't know what being a real Maori is all about because she was brought up in the city," claimed Kopu.

But today over 80% of Maori live in Aotearoa's cities. Overwhelmingly, they belong to the working class - the exploited mass of humanity who make the profits for National's big business pals.

"Being Maori" usually means being a city-based member of the working class.

Therefore, tino rangatiratanga and workers' power go hand-in-hand.

Workers' power can't be won in Parliament, although voting out the Coalition will certainly boost workers' confidence.

Workers' power grows out of mass actions against the ruling class - and that means strikes, demonstrations, occupations and ultimately revolution.

But that's not what Alliance leaders are advocating. And that's a big part of the reason why they're not at the cutting edge of the mood of anger that's on the rise.

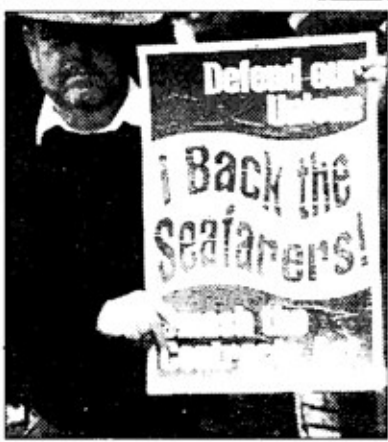
The faces of protest



THIS AUCKLAND action against water privatisation and Wellington seafarers' picket against job losses symbolise the face of protest in Aotearoa today.

Unions and "community" coalitions are equally likely to be protesting against the profit-driven attacks of bosses and government.

It's the growing realisation that things won't improve unless people down the bottom unite and fight that's fueling the rise in protests.



Seafarers' fight test for union conference

A UNION conference is coming up which has a different agenda from most recent union forums.

On July 25, primary production and transport unions are meeting to consider a Mutual Aid Pact.

The idea is for a union involved in a strike or lockout to be assisted by other unions.

"The form of assistance to each other may include financial support, giving out literature, giving picket support and using political influence," said Mike Jackson, secretary of the National Distribution Union.

The NDU initiated the conference. Taking part are significant unions from both the Council of Trade Unions (like meat workers, dairy workers, watersiders) and the Trade Union Federation (like seafarers, food processing, wood industries).

As Jackson says, "the defeats suffered on some sites is partly attributable to lack of support from other sites".

For this reason, mutual assistance between unions is a welcome trend.

However, the only mutual assistance that really counts is the organised strength of grassroots unionists. All the rest is hot air which the employers and government contemptuously ignore.

Right now the seafarers are organising nationwide pickets against cross-trading shippers who're threatening their jobs on the trans-Tasman run. Half the cross-traders have been forced to back off by the pickets.

A key ingredient in these early victories has been the refusal of wharves to cross the pickets and the promise of action by Australian maritime workers if ships leave NZ with "black" cargoes.

The port companies have regarded the pickets as illegal under the Contracts Act.

The seafarers' struggle is a practical test for the Mutual Aid conference.

If unions emerge from the conference with a battle plan to help the seafarers beat the remaining cross-traders, then not only will their jobs be saved but also the Contracts Act will take a well-deserved beating.

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Socialist Review

JULY ISSUE

● The bosses' fading star?

The plan for a common currency is the main way European rulers are coordinating their attacks on workers' living standards. Significant sections of the British Labour Party oppose the single currency. But they're doing so with arguments which are confused or, even worse, centre on the issue of "sovereignty" which provides a bridge to the Right. There is growing workers' militancy across Europe. In some struggles, workers have raised slogans like: "For a workers' Europe, not a bosses' Europe" and "Yes to a Europe without frontiers - no to a Europe without jobs". This answers those who say workers must make sacrifices to bring about a single currency.

PLUS

● **Marxism and the modern world** Anthony Giddens, London School of Economics director, debates John Rees, editor of *International Socialism*.

● **Out of their suits, into the streets** The transformation of hospital workers.

● **The dream ticket** Sigmund Freud and his theory of the unconscious.

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Coalition splits are great for us

IT'S GREAT. Cabinet ministers and prominent businesspeople are scrapping publicly with each other over super.

Prime minister Jim Bolger has admitted on TV that he expects the Coalition's super plan to be defeated in September's referendum.

Jenny Shipley has positioned herself for a challenge to Bolger's leadership of the National Party.

Health minister Bill English is slogging it out with his deputy Neil Kiron.

The finance duo, Winston Peters and Bill Birch, are sniping at each other over tax cuts.

Big business rushes into print to criticise the budget for not giving them enough handouts.

NZ First lingers around the margin of error in opinion polls while National strategists look for a miracle to save them in the next election.

Like all Right-wing governments, the Coalition is nasty - but it's also weak, as these splits show.

This gives workers more opportunities to put the boot into the political clones of big business.

Socialist Worker

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MID-YEAR APPEAL

IN THIS ISSUE, *Socialist Worker* takes you "inside" the seafarers' fight for jobs (page 7). This struggle, which is sticking a knife into the Contracts Act, is meeting with early successes.

We bring you a sober analysis of the Labour and Alliance parties - the good and the bad (centre). There's information here you won't see elsewhere.

Our popular "Smoko" column has been reborn (page 4). It looks at Mabel's undies (as well as Tuku's) while stripping the corporate bosses bare.

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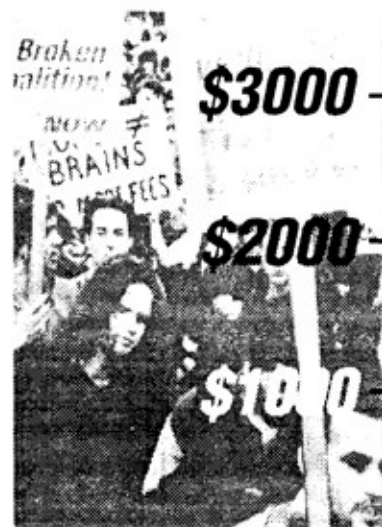
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Pardon, your slip is showing

The great majority of MPs pass their years in the Beehive doing nothing very memorable, pick up their pension at the end and are soon completely forgotten.

Others live on in the public memory for some piece of unpleasantness like the 1958 Black Budget and, of course, two of them have gone down in history for their underpants.

Although Labour MP Mabel Howard was the first woman to become a cabinet minister, she's mostly remembered not for that, but for waving a pair of knickers around in the House of Representatives.

She did this to draw attention to the fact that larger women like herself were unable to find any underwear big enough in the shops because only skinny fashion model sizes were catered for.

There was a great fuss made about Mabel's action. She was accused of being rude and silly and lowering the dignity of Parliament and a whole lot of other nonsense.

Unfortunately, all the prissy fuss over the dignity of Parliament overlooked the main point because today, a generation on down the track, larger women still have a hard time finding a decent choice of clothes in their size.

After Mabel came Tuku, who didn't wave his underpants around, but had that done for him by a cast of thousands.

Didn't the media go to town on it! Week after week the news reports, editorials, TV, cartoonists and political commentators went on and on about Tuku and his expensive daks.

Everyman and his dog had a go, every opposition politician pointed quivering fingers of indignation at the price of Tuku's undies and the rest of his employment package.

In fact, you could be forgiven for getting the impression that if only Tuku's behaviour was sorted out we'd be left with a basically fair and decent society run by honest people who get paid no more than they're worth.

Humbly, Tukoroangi Morgan managed to score a better pay deal than the average toiler, but compared to the big boys he's not even in the race.

What do Tuku's \$89 underpants compare to Telecom boss Rod Deane's \$11.5 million a year? Or Telecom directors David Richwhite and Allen Gibbs' personal fortunes of over \$200 million each?

Ah, but while Tuku was getting his big salary, the workers under him were getting a hard time. Maybe, but it's no better down at Telecom. Since that firm was privatised 7,500 workers have been kicked out of their jobs, while the top bosses paid themselves millions.

Just as it was with Mabel Howard's underpants, the real point is being missed – or perhaps conveniently overlooked.

While all the media fuss was about Tuku, the really wealthy parasites were left to rake in their billions undisturbed. And while they rake in those billions, we at the bottom get less and less.

For instance, the recent budget had a big fat zero to improve Maori housing or Maori health, stuff all for Maori education, and nothing to address the Maori unemployment rate of over 16%.

What it DID have was a \$2 million CUT to Maori Affairs funding.

Wouldn't it be amazing if the media went wild about that, instead of concentrating all their firepower on one Maori's underpants?

ECONOMICS OF THE MADHOUSE

CHRIS HARMAN explains why capitalism cannot deliver, and sets out the socialist alternative to the madness of the market.

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Where to now for Labour and the Alliance?

LABOUR'S MIXED MESSAGE

THE LABOUR Party is sending a "mixed message" to the electorate.

Helen Clark's party advertises itself as "more humane" than Bolger and Peters and says it will pull back from the extremes of the market – but it also supports the "open economy" so beloved by big business.

Labour pledges to rebuild health, education and welfare – but it also opposes high taxes on the rich which will be needed to fund its promises, particularly if the economy keeps on slowing.

The last six opinion polls have put Labour out in front, indicating a shift to the Left away from National and NZ First.

In the latest NBR-Consultus poll 42% of voters support Labour, giving it a lead of nine points over National, the second highest party.

Although Labour fell two points from the previous poll after rising continuously since September 1996, it looks like staying miles ahead of the Alliance (steady on 9%) between now and the next election.

So why is Labour doing better than its "less market" rival on the Left?

Most people hate the pain inflicted by the market and crave for a more caring, sharing society where humans count, not just bosses' profits.

But every day the media, the bosses, the government and other Very Important People tell us that the market is the only way the social product can be distributed.

Our rulers dismiss the socialist alternative of a cooperative, democratic, classless society as "loony". It's in their class interests to do so – the market enriches a few bosses, whose profits come from paying workers only a fraction of the new values their labour creates.

Because of this pressure from above, most people – however unwillingly – accept that the market is here to stay and that terrible things will happen to everyone if the market is upset.

Labour's "mixed message" does nothing to give us a clear alternative to the market.

Contradictory policies

Labour MPs buy into the supremacy of the market at the same time as echoing the pain inflicted by the market on the working class.

This "mixed message" is reflected in their contradictory policies.

Labour promises to improve health and education, repeal the Employment Contracts Act, stop public asset sales, lower state house rents and oppose compulsory super – all of which appeal to workers and beneficiaries.

But Labour also promises to uphold the "open economy", retain the Reserve Bank Act and the Fiscal Responsibility Act, defend company profitability, keep taxes on the rich low and retain GST – all of which are central planks of big business.

"Labour," says Mike Moore, one of the party's front-bench MPs, has "accepted that to be pro-jobs, pro-public health and education, it must be pro-business and pro-profit".

Labour's shadow finance minister, Michael Cullen, says that Labour wants "a fairer New Zealand based on realistic policies". The phrase "realistic policies" is coded language for policies which don't

upset the market.

So Labour is facing two ways at the same time – towards the bosses and towards the people exploited by the bosses for profits.

This fence-sitting is possible when Labour is in opposition and doesn't have to deliver on any promises.

But what will happen when Labour forms a government?

Then it will face the power of the bosses who make the most important decisions affecting our daily lives – the number of jobs created, the wages offered to workers, the products sold on the market.

These wealthy bosses aren't elected by us.

Nor are the powerful bureaucrats who run the most important parts of the state machine – the military commanders, the police chiefs, the Treasury officials, the high court judges.

It was their combined power that compelled the last Labour government to betray its election promises and inflict the "Rogernomics revolution" on its working class supporters.

Free-trade treaty

So will Labour again bow to the ruling class if it's the biggest party in Parliament after the next election?

An important indicator over the next few months will be Labour's attitude to the Multilateral Agreement on Investments (MAI).

This draft treaty, now under consideration by the governments of New Zealand and another 28 industrialised states, will greatly expand the power of international capital if it's passed into law.

The MAI is likely to be ratified by the Coalition government towards the end of this year.

Here are just a few of the MAI's proposals:

- Corporations are given a legal status at least equal to governments, and in some cases higher.
- Governments are forbidden to restrict the free flow of capital and profits.
- State-owned enterprises must put profits first, not social needs.
- Any national laws which don't conform with the MAI are to be reduced and eventually eliminated.
- Governments wishing to withdraw from the MAI are locked into its provisions for 20 years.

(For more details, refer to *Socialist Worker* #34 which analysed the MAI in-depth.)

If Labour doesn't come out strong against the MAI, then you can safely bet that it won't stand up against the pressures of big business if it forms the next government.

Already the signs don't look good. Clark has reacted to the MAI by saying that Labour supports a "fairly open regime for foreign investment". And Cullen remains gung-ho about the "open economy".

It's the job of the Left to say to Labour – if you're on the side of ordinary people, then you must oppose the MAI because this international treaty is for the exclusive benefit of the rich at the expense of the rest of us.

This is the demand that the Alliance and socialists should be putting on Labour over the months ahead. □



Clark remains gung-ho about the open economy

An Alliance in trouble

THE ALLIANCE is in a real mess at the moment.

Jim Anderton's party has faded to 9% in the last two NBR-Consultus polls after reaching a high of 35% in August 1994, when it outstripped Labour by 17 points.

Since the Alliance measures success purely in electoral terms, bad poll results are fuelling divisions within the five-party coalition.

Although the media has focused on Alamein Kopu leaving the Alliance, the two most serious conflicts are:

- The Greens are threatening to pull out unless they get more power inside the Alliance as well as the right to an independent "Green" label.
- There are loud rumblings inside NewLabour over Anderton's eagerness to pair up with Labour even at the cost of ditching Alliance fundamentals.

As divisions, U-turns and low ratings rock the Alliance, the vision of building a mass Left-wing alternative to the Right-wing economic policies of National and Labour is fading.

Independence

Green co-leader Rod Donald told the media that his party wants to negotiate "greater independence and a stronger identity". This, he said, would mean him and his party's other two MPs being labelled as Green MPs, not Alliance MPs.

The Alliance National Conference, which had been advertised for early August, has been postponed until after negotiations with the Greens. These start on July 26.

Although the opening position of the Greens hasn't been publicised, *Socialist Worker* inquiries have revealed likely elements:

- Alliance candidates from the Green Party to be listed as "Alliance Greens".
- The Greens to be guaranteed 40% of the top 20 positions on the Alliance list.
- The Greens to be exempted from paying any money to the Alliance.

Since there are competing factions within the Green hierarchy, these elements may have changed by the time negotiations get going.

The outcome of the talks is anyone's guess. It's possible that a compromise can be reached which papers over the cracks, at least for a while.

But there's also the potential for a quick split.

There are now influential voices at the highest level of the Greens saying it's time for



them to go on their own.

Donald is making it known behind the scenes that, if the Alliance doesn't run with what the Greens want, then "we'll go and talk with the Labour Party". But he'll have to line up behind Anderton.

No mandate

Without any mandate from any of the Alliance's constitutional bodies, Anderton last month told the media that his party wanted to enter a coalition government with Labour.

As part of such a deal, he said, the Alliance would lower its tax rates and reduce its spending promises.

Anderton's words shook Alliance activists because they chopped into what are seen as the party's fundamentals.

Other Alliance MPs weren't consulted beforehand. Three angry MPs from Anderton's NewLabour Party – Matt Robson, Pam Corkery and Laila Harre – stormed into their leader's office and yelled at him for keeping them in the dark.

More serious for the Alliance, however, is the groundswell of discontent among NewLabour activists.

The Alliance leans heavily on these activists. If their commitment wanes, then there's the potential for gradual disintegration.

Anderton's statements have "created considerable concern among Alliance members," former Alliance foreign affairs spokesperson Keith Locke told the media. "People can't see the difference between us and Labour."

After Anderton had "gone

Big changes are affecting the two parliamentary parties which identify with workers – Labour and the Alliance.

It's risen to top spot in the polls, but Labour is sending contradictory signals to workers.

Divisions plague the Alliance, and its leader is desperate to get into coalition with Labour. GRANT MORGAN looks at what's happening with these two parties.

"We're losing a Left-wing agenda"

CLIFF ROBINSON was Auckland chair of the Alliance till late 1996, and stood as an Alliance candidate in the last two parliamentary elections.

A member of NewLabour, one of the Alliance's five constituency parties, he's well-known as a Left-wing activist.

Cliff spoke to *Socialist Worker* about his concerns that the Alliance is heading in the wrong direction:



The leadership of the Alliance has let us down badly. Jim Anderton is pushing for a coalition with Labour without consulting the party membership.

In a coalition government, the majority dominates. If we go into coalition with Labour, the Alliance will be finished. We should support a Labour government from outside the cabinet.

Labour's economic policies won't bring any joy to working people. Labour is still a party of Right-wing economics which wants to have a social conscience as well, but will find that difficult because of its economic policies.

The Alliance should support a Labour government on matters of confidence and supply, but not jump into bed with them.

We should be a Left-wing alternative. But the Left has been marginalised within the Alliance. We have no power at leadership level.

There's a lack of democracy. I resigned as the Auckland chair of the Alliance after a secret committee "did" Left-wingers in candidate selections.

There's been a lack of contact between workers and the Alliance.

So much effort has been needed to keep the five-party coalition together that we didn't have time for contacts with workers. It's an impossible situation.

We need a unitary party, not a five-headed monster. If there's a lack of internal democracy, how can you spread democracy outside the Alliance?

Very moderate people inside the Alliance are getting more pissed off by the day. But it's hard to get people to vote against the Leader.

Unless we democratise the Alliance and stay out of cabinet with Labour, I just shudder for the future of the Left in parliament.

We thought the Alliance was going to be a beacon of hope in New Zealand, but it's just become bogged down. More and more we're losing a Left-wing agenda.

If we go into coalition with Labour, we'll be promising about one-quarter of what the 1972 Labour government was elected on.

I'm very disillusioned.

VIEW FROM THE LEFT

Two Left-wing activists in the Alliance tell *Socialist Worker* what's on their minds:

■ "Labour is up in the polls because the Coalition is so bad and the Alliance isn't doing anything."

■ "If the Alliance softens its policy, we don't have a future as a Left-wing parliamentary group."

what socialists say about...

Inequality – is it inevitable?

WHAT CAUSES the huge inequality we see in society today?

Throughout the ages, privileged classes have always claimed that social and economic inequalities reflect and are caused by natural differences of ability.

It's a fact that differences of ability exist. Some people run faster than others, some can lift heavier weights, some are better at maths, others are better at playing the piano.

But it's wrong to call these differences "natural". Human beings are always social, and upbringing and social conditioning play a big role in determining what abilities people develop and how far they can develop them.

Still, differences exist and will continue to do so for the foreseeable future.

Wrong

What's really wrong is to suggest that differences of ability either explain or justify social and economic inequalities.

Economic inequalities are way out of proportion to any possible differences of abilities.

Even if we grant that Telecom boss Rod Deane is in some general sense more able than the average Telecom worker (and I don't accept this), it cannot be that he is 40 or 50 times more able.

The range of human abilities is simply not that great.

Yet Deane's salary of \$15 million plus perks is 40 or 50 or more times higher than a Telecom worker's.

It's clear that in most cases, both today and in the past, wealth and social standing have nothing at all to do with ability.

For instance, the Queen of Britain – and New Zealand – is the richest woman in the world without displaying any outstanding ability in any sphere whatsoever. She was just born into it.

Nor is the hereditary principle limited to royalty. It applies throughout ruling classes everywhere. Look at Hugh Fletcher, chief of Aotearoa's most profitable company. He got where he is because of his father and his father's father.

Even in those few areas, such as sport, where there is some connection between measurable ability and economic reward, the extent of rewards is a result of definite social and economic decisions.

Until the 1960s the best athletes were more or less amateur. Now, like US athlete Carl Lewis, they're paid millions.

The range of abilities hasn't changed, but the inequality of rewards has soared.

And history shows that social and economic inequalities haven't always existed.

Indeed, they haven't existed for the vast majority of the time that human beings have been on this planet.

Humans have a history stretching back between two and three million years. But systematic social and economic inequality dates only from the development of herding and agriculture between 8,000 and 10,000 years ago.

Before then, all humans lived as gatherers and hunters in small nomadic bands. Some of these societies – like the Eskimos, the Pygmies, the Aborigines and the Kung San in the Kalahari Desert – have survived into recent times.

They work together as collectives, don't accumulate property that can't be carried on their backs and are based on sharing food out equally.

With farming and herding came the division of society into classes and the development of private property.

A minority gained possession of the key means of production and used that production to exploit the majority who did the work.

This was the real route to economic inequality and the division of society into rich and poor.

Class

Since then, class exploitation has taken a number of different forms – slavery, feudalism, capitalism.

But the basic division, between owners and workers, exploiters and exploited, has remained and the gap between rich and poor has grown.

Two things follow from all this.

Firstly, economic inequality is social and historical in origin, not natural – so it can be changed.

Secondly, the way to change it is for the majority, the working class, to seize control of the means of production and transform them into the property of society as a whole.

JOHN MOLYNEUX

HISTORY OF THE NEW ZEALAND STATE

ARMED and DANGEROUS

THE FIRST action of the military in New Zealand was against the country's original inhabitants – the Maori.

In last century's Land Wars, troops were used as the military arm of wealthy settler-bosses to take land from Maori which couldn't be obtained by commerce or deceit.

Rivers of blood were spilled by the soldiers of capitalism so that Maori collective land ownership could be smashed.

Despite heroic and intelligent resistance to this unprovoked aggression, the outnumbered and outgunned Maori were eventually beaten. Their communal way of life was forcibly replaced by the "free" market.

This established the economic base for New Zealand's gradual transition from British colony to "independent" nation. But, because Aotearoa was locked into the global capitalist system, this country couldn't be independent of international capital.

In 1914 the profit-driven struggle between rival blocs of capitalist powers broke out into world war.

New Zealand soldiers were sent to fight for the rulers of the British empire, 17,000 never returned from the killing fields of Europe.

In 1916 the New Zealand government introduced conscription to ensure a continual flow of manpower to the trenches.

Anti-conscription activity was declared seditious. Conscientious objectors were jailed and, in some cases, shipped to the frontlines and placed in the field of fire.

Waikato and Urewera Maori refused to allow their young men to be used as cannon fodder. The Urewera prophet Kenana Rua was imprisoned for opposing conscription.

Internal state repression was equally a fact of life during the Second World War. Police smashed up

The New Zealand government is moving towards boosting military spending by \$3 billion at the same time as it says the existing super scheme is unsustainable.

Why can the country afford the warfare state but not the welfare state?

DON FRANKS looks at the history of the armed forces and their role today.

the Communist printing press following the party's early opposition to what they called an "imperialist war". 800 conscientious objectors were locked up.

The state forced workers to labour up to 84 hours a week without overtime pay in the "national interest". This was great for bosses' profits. Some of Aotearoa's wealthiest companies today got a kick start in the war.

In times of peace, the police have acted as capitalism's front-line "troops" in strikes, but when necessary they're backed up by the military.

In 1951 the wharfies were locked out after an overtime ban. They were hated by the ruling classes here and overseas because of their support for struggles by foreign as well as local workers.

"Not a son or a gun for Malaya," said the wharfies, opposing the New Zealand army's involvement in the suppression of this national liberation struggle.

During the '51 Lockout, troops set up machine gun nests at wharves and worked ships, while police guarded scabs and batoned down demonstrating wharfies. State vio-

lence against workers was essential in the shipowners' victory.

Since then, the military has been used against other groups of workers. For instance, the army was mobilised against Lyttelton road tunnel workers in 1979, and the air force used several times against seafarers on Cook Strait ferries.

Police have "heavied" so many pickets that there's not enough room on the page to list them all. This has included baton attacks against unarmed workers, like on Astley Tannery picketers in 1993.

The army provided logistical support in 1978 for police arrests of Bastion Point occupiers. The people who stood to benefit were rich property developers.

Racist rugby was protected during the 1981 Bok Tour by militarised police units backed up by the armed forces.

Over the last three decades the New Zealand military have been used against the Vietnamese national liberation movement, and sent to Somalia and the Gulf as part of United Nations "peace-keeping" missions.

These operations were orchestrated by the US White House to make the world more profitable for American big business. It was summed up in the popular slogan against the Gulf War: "No blood for oil!"

Just like they've always done, the New Zealand authorities continue to use the state forces against people like us in Aotearoa and overseas.

The biggest threat to our security comes not from an overseas invader, but from the armed and dangerous forces of the New Zealand state.

In the words of the German socialist Karl Liebknecht, who was jailed for opposing the Kaiser's government in the First World War: "The main enemy is at home."

KARL MARX: Confronted with the "bureaucratic-military machine" of the state, the task of the working class is "to smash it".



The army marches on to the wharf during the 51 confrontation

1951: wharfies attacked by state

by BARRY BROWN

ON JULY 17, one of the most honoured and vilified men in Aotearoa turned 90.

46 years ago, Jock Barnes was leader of the Waterside Workers Union.

This was a union that wanted cheap houses paid for by scrapping military spending. It wanted old age pensions to be the same as paid to MPs. It wanted equal pay for equal work, key industries to be nationalised and a minimum wage for all.

In 1951 the watersiders were locked out. The government seized the union's assets, declared a state of emergency and swung the police and army into

action against the watersiders.

Cops batoned down demonstrating unionists and papers were banned from printing anything that might help the watersiders.

After an epic struggle lasting five months the watersiders were smashed as a union.

But the 1951 lockout cost the ruling class dear and it backed off any further offensive on unions or the welfare state.

Compare this with 1991, when the leadership of the union movement backed off a fight over the Employment Contracts legislation and we live with the terrible consequences.

We owe Jock Barnes and his comrades.

Capitalism's weapon of steel

POLITICIANS OFTEN tell us the country hasn't got enough money for health, housing or education.

But have you ever heard a cabinet minister say there's no dough for the military?

Sometimes people ask why these priorities exist. It does seem crazy for vast sums of money to go on an armed force holed up near the Desert Road which shows its face once in a blue moon for a ceremonial parade or to find a trumper lost in the hush.

If that really was the way it is, then it would be pointless pouring billions into the military, who come fourth on the government's spending list.

In fact, at every major turn of this country's history, the armed forces have played a key role – helping the capitalist class maintain its domination over the working class.

The military form the core of the New Zealand state, which also in-

cludes police, government, courts, prisons and bureaucracies.

No matter which party is in government, the state's bayonets and batons form a protective barrier around capitalist private property and the profit-making of wealthy bosses.

Communal Maori land was seized by armed invasion and legal manipulation.

Workers' pickets and protests have been attacked by baton-wielding cops.

Peace activists were jailed in wartime and are bugged by the secret police in peacetime.

The foundation of the New Zealand state is the military. This is the weapon of steel which, in turbulent times, enforces the authority of the government and courts and other "civilised" arms of the state.

The armed forces aren't ultimately answerable to the government of the day. The Head of State and Commander-in-Chief of the armed forces is the Governor-General.



A military detachment of the New Zealand Army returns home from the Vietnam war. Police club anti-war protesters in the background.

Under many Acts of Parliament, the Governor-General can promulgate regulations, including states of emergency which have the force of law, without any debate in the Beehive.

Traditionally the Governor-General subordinates his or her power to the will of the governing party.

But, in times of crisis for the capitalist class, the Governor-General may depart from this practice – like in Australia when the Whitlam Labour government was sacked by the Governor-General in

the infamous "constitutional coup" of 1975.

Parliamentary elections give no control at all over the forces of the state.

The military brass and top cops and judiciary mix in the same elite circles as cabinet ministers and corporate bosses, and aren't accessible to ordinary people in any real way.

Together they form a ruling class that plots and schemes and often fights among itself – but always uses the state to control and exploit the working class.

Socialist Workers Organisation meetings

Auckland

Meets every Tuesday at 7.30pm at the Socialist Centre, 86 Princes St Onehunga. Phone 634 3984 or write to Box 8851, Auckland.

Socialist Worker Students Club meets every Monday. Cultural Space (top floor, above University Book Shop) at 12pm

Timberlands

Meets every second Wednesday of each month at 7pm at Apumoana marae. Tarawera Rd. Phone Bernie 345 9853

Wellington

Meets every Wednesday at 7.30 pm in the meeting hall behind St Peters Church, corner Ghuznee & Willis St. Phone Gordon 564 3270

Christchurch

Meets every second Thursday at 7.30 pm at the WEA, 59 Gloucester St. Phone Roy 3844 681

Australia

International Socialists at PO Box A338, Sydney South. ph 261 4862

The Socialist Workers Organisation also has members and supporters in North Shore, Hamilton, Paeroa, Napier, Kawerau, Raglan, Palmerston North, Timaru, Dunedin and the West Coast. They can be contacted via the Socialist Centre in Auckland (09) 634 3984.



Socialism

Capitalism is a system of exploitation which generates inequality, crisis and war.

Although workers create society's wealth, it is controlled by the ruling class for its own selfish ends.

Socialism can only be built when the working class takes control of social wealth and democratically plans its production and distribution to meet human needs, not private profits. This will eliminate all class divisions in society.

Stalinist countries such as China and Cuba, just like the former Soviet Union and the Eastern bloc, have nothing to do with socialism. They are state capitalist. We support the struggles of workers against every dictatorial stalinist ruling class.

Revolution not reformism

The present system cannot be reformed to end exploitation and oppression, contrary to what Alliance, Labour and union leaders claim. It must be overthrown by the working class.

Capitalism's parliament, army, police and judiciary protect the ruling class. These institutions cannot be taken over and used by the working class.

To pave the way to socialism the working class needs a new kind of state – a democratic workers state based on workers councils and workers militia.

Internationalism

Workers in every country are exploited by capitalism, so the struggle for socialism is global.

We campaign for solidarity with workers in other countries. We fight racism and imperialism. We oppose all immigration controls. We support all genuine national liberation struggles.

We are internationalists because socialism depends on spreading working class revolutions around the world.

Liberation from oppression

We fight for democratic rights. We oppose the oppression of women, Maori, Pacific Islanders, lesbians and gays.

All forms of oppression are used to divide the working class.

We support the right of all oppressed groups to organise for their own defence. Their liberation is essential to socialist revolution and impossible without it.

Tino rangatiratanga

We support the struggle for Maori self determination.

The government's approach to Treaty claims has benefited a Maori elite while doing little for working class Maori.

Tino rangatiratanga cannot be achieved within capitalism. It will only become a reality with the establishment of a workers state.

Revolutionary party

To achieve socialism the most militant sections of the working class have to be organised into a mass revolutionary socialist party.

We are in the early stages of building such a party through involvement in the day-to-day struggles of workers and the oppressed.

The Socialist Workers Organisation must grow in size and influence to provide leadership in the struggle for working class self-emancipation.

We need to revitalise the unions with a rank-and-file movement.

If you like our ideas and want to fight for socialism, then join us.

Seafarers

Early victories in fight for jobs



EARLY VICTORIES have been scored in the seafarers' national campaign to stop cross-trading ships taking away their jobs on the trans-Tasman route.

Over the last few weeks, a flurry of seafarers' pickets at Auckland, Tauranga and Wellington have targeted the vessels of selected cross-traders.

As a result, the NZ Seafarers Union has got a written promise that MISC will withdraw from trans-Tasman trade.

MISC's coalition partner PIL has informed its clients that it won't accept any more trans-Tasman cargo. Wilhelmssen managers are meeting the union in a few days time to finalise a similar agreement.

And, after the *Kapatin Byankin* was delayed by an Auckland picket on July 16, its owner Fesco agreed to meet with the union and stitch up a deal.

Although hordes of security guards were swarming around the *Kapatin Byankin*, making it difficult to picket, the watersiders told the seafarers: "If you block the ship, we'll refuse to work it."

Such an action is illegal under the Contracts Act – but that doesn't make it any less effective!

The New Zealand seafarers have also been backed up by the maritime workers of Australia.

It's this sort of workers' solidarity that's been crucial in crunching the cross-traders.

The war is far from over, but the early victories are heartening.

In the weeks ahead, the heat will go on cross-traders Blue Star, Columbus and Barbican.

Auckland seafarers' secretary Garry Parsloe told *Socialist Worker*: "We won't give up on an issue that affects our survival as a union."

Tauranga

THE CROSS-TRADER *Khota Hasil* was delayed for 12 hours by a seafarers' picket on July 11, costing its owner PIL an extra \$10,000 in lost time and port charges.

The 35-strong picket was respected by Tauranga watersiders, many of whom are non-union.

Picket organiser Glen Andersen told *Socialist Worker* that seafarers hoped their campaign would help to "fully unionise the workforce on the docks".

Supporters from the Wood Industries Union and National Distribution Union bolstered numbers.

Wellington

WELLINGTON SEAFARERS marched to court on July 14 to support 27 workmates arrested a week

earlier on trespass charges.

They were joined by other unionists for an hour-long protest against the Wellington Port Company who'd called in the cops.

The arrests took place during an 80-strong picket against the *American Star*, owned by the cross-trader Blue Star. Many of the 27 charged were occupying the ship's gangway.

The port company again called the police on July 18 when nine seafarers mounted an information picket on the wharf.

Four police vehicles filled with cops screamed up to join 80 security guards – all to "protect" the wharf against nine seafarers!

As well, the port company kept a ship out and closed the wharf to customers until the information picket disbanded – and then complained that the seafarers had cost them a lot of money!

Wellington seafarers' secretary Mike Williams told *Socialist Worker*: "We've got no choice, the fightback will continue."

Contracts Act

SIX REGIONAL delegates' meetings of the National Distribution Union voted for a campaign of action against the Contracts Act.

The NDU delegates made lots of suggestions about how to fight this anti-worker law, including these:

■ Ask other unions to join a united campaign.

■ Target major employers and put pressure on them.

■ Issue leaflets on how the Act has cut workers' pay, conditions and rights.

The NDU's paid officials are now talking with other union officials and the Labour and Alliance parties about organising a national day of protest against the Act.

This is a positive start. However, discussions among paid officials don't tap into the power of job delegates – a glimpse of which could be seen at the NDU delegates' meetings.

Because they're close to workers, job delegates have far more potential than paid officials to build a mass campaign against the Act. This is particularly so if delegates from lots of unions come together in one place to discuss strategy.

Unfortunately, this potential wasn't given expression in the top-table resolution put to the NDU delegates' meetings.

This resolution didn't request the two union centres to convene a National Convention of Job Delegates to plan united action against the Act.

The NDU delegates voted 268 to 6 to withdraw from the Council of Trade Unions.

There was a general feeling that the CTU isn't giving positive leadership to workers, particularly around fighting the Contracts Act.

Many NDU activists would have liked the top-table resolution to have put forward the positive alternative of joining the Trade Union Federation. But this wasn't done.

Hopefully, a motion to join TUF will be put to the next round of NDU meetings, since united organisation demands affiliation to a union centre.

K-Mart

Pickets force company U-turn

AFTER THE prospect of information pickets at K-Mart's eleven stores, the company has backed away from its plan to sign staff up to individual contracts.

Instead, management agreed on July 17 to meet with the National Distribution Union and negotiate a collective contract "in good faith".

At talks in early July, the union reported, only "very moderate claims" were put to K-Mart because of the company's "difficult financial position".

But management played hardball and rejected almost all the union's proposals. The company insisted on individual contracts similar to those pushed on 170 staff when they started at its newly-opened store in Dunedin.

These contained major claw-backs, such as: • completely flexible hours of work • loss of service steps • lower rates for many new starts (for instance, a Grade 1 worker to be paid \$8.70 instead of \$9.40) • removal of all protection relating to night trading (for instance, meals and travel) • no limitations on the use of casuals • no mention of the union.

If K-Mart was to succeed with its agenda, the pay, conditions and rights of staff would be eroded and the union would be sidelined.

The union swung into action. Officials and delegates talked to K-Mart workers about what the company was doing, leaflets were distributed calling on workers not to sign the individual contracts, and rosters drawn up for information pickets at all stores.

Particularly because of its financial troubles, the company was vulnerable to pickets which impacted on its trade.

The day before the pickets were due to start, K-Mart did a U-turn and asked to return to the bargaining table to negotiate a collective contract.

Management admitted that, because of their U-turn, they now have a "credibility problem" with staff and are eager to save face.

The union has obliged with one of the blandest media releases ever seen by *Socialist Worker*.

But this shouldn't fool anyone. The company has done a huge backdown. While this isn't the end of the war, it's certainly an important battle won.

K-Mart delegates speak:

■ **TRUDY SCOTT**, Porirua: "We offered a partnership and they offered a dictatorship where we would be at the whim of the company."

■ **JEFFREY READER**, Palmerston North: "They wanted a contract that essentially stripped basic rights for new workers as well as wiping any incentives for current employees."

■ **JAN DEANS**, Wanganui: "I'm appalled by the underhandedness and lack of integrity of the company up to and during these negotiations."

Abortion rights

THE WOMEN'S wing of NZ University Students Association retained its pro-choice abortion policy despite a strong challenge from anti-abortion group SOUL.

SOUL stacked the July 3 conference of Women's Education Coalition Aotearoa (WECA) with 31 anti-abortion activists.

The result was a close 33-31 vote in favour of WECA's existing policy.

Child protection service

1,200 CHILD protection service staff stopped work on July 8 in protest about pay and funding.

They say a lack of resources is endangering many hundreds of children, the service is being dismantled and staff are underpaid by the Social Welfare Department.

The service's general manager, Griff Page, criticised staff for striking over "essentially political issues" like resourcing and the "devolution" of services to other agencies.

A senior lecturer at Otago University's community & family studies department, Dr Pat Shannon, said social workers could not guarantee safety for children when services were under-funded and under-staffed.

The workers hadn't received a pay rise for seven years, said the Public Service Association.

They're claiming 15%, but have been offered just 2.25% and a lump sum of \$2,000 in return for working an extra two-and-a-half hours a week and reductions to allowances and bonuses.

This adds up to a cut in pay, says the PSA.

The workers demonstrated in cities all round Aotearoa.

Their placards spoke of opposition to lack of government funds. A placard in Rotorua read: "Children, not dollars."

Another in Dunedin declared: "Social workers care – when will the government?"

Further actions are planned.

Water privatisation

"MILLIONAIRES' NEW miracle – water into gold!"

This placard was carried on a July 16 protest against water privatisation in Auckland.

It reflected the widespread suspicion that the council's move towards corporatising water operations is really a step towards privatisation.

20 people took part in the mid-day protest at Metro Water.

They demanded that the council hold a referendum on the water issue.

New frigate

WHEN THE brand-new frigate *Te Kaha* sailed into Auckland on July 11, it was met by three protest yachts, one welcoming craft, a bunch of gleeful sea scouts, 50 demonstrators – and the sound of silence from the rest of the city.

While the protest was small, the lack of public support for the state's latest machine of destruction was in contrast to past occasions.

The Coalition government is muttering about spending \$3 billion on two more frigates, plus other hardware for the army and air force.

Speakers at the protest pointed out how the New Zealand state was acting as a junior partner of America, which wants to be the "global cop" to boost the profits of US business.

More "No frigates" protests are planned in Auckland by the Campaign Against Militarism.

Why are our rulers scrapping?

THE COMPULSORY super debate has seen fierce bickering among the ruling class.

For them, the real issue behind the super debate is how to revive the flagging economy.

Will compulsory saving produce more money for firms to invest and grow? Or will it reduce the amount people can buy and so hit company profits?

Those who've been as thick as thieves for the last 15 years in their attacks on the working class are now at odds over this question.

National's caucus is divided. The prime minister says he will vote for Winston Peters' plan.

But at least six National cabinet ministers are against it.

Some National MPs say they will cross the floor and vote against the scheme even if it gets the nod in September's referendum.

Roger Douglas, the architect of Rogernomics, is criticising the Business Roundtable for not supporting compulsory super.

The Employers Federation and Manufacturers Federation, former disciples of Douglas, are now opposing him.

Conscience?

To hear them talk, you'd think these architects of social destruction had suddenly found a conscience.

Jenny Shipley, who cut welfare benefits by \$1 billion as social welfare minister and crucified public health as health minister, says she opposes Peters' super scheme because "the social cost will be enormous".

She supports the Contracts Act which saw \$2.8 billion transferred from workers' wages to company profits in its first four years.

Shipley attacked the super scheme because it "will increase the gap between rich and poor".

She instead called for a means-tested benefit paid by the state.

Winston Peters, who also backed the Contracts Act, defends his compulsory scheme with the same rhetoric: "The Jenny Shipley option, unfortunately, is to trap the poor, reward the rich."

Even Roger Douglas has said he supports the compulsory scheme because it's better for workers.

Real reason

But the real reason why these former cronies are bickering has nothing to do with concern for people like us.

Crisis-prone capitalism lurches from "boom" to "slump". After the short-lived recovery of the early '90s, the capitalist economy in New Zealand is now on the skids again.

In May, eleven of Aotearoa's top companies revised their expected profits downwards by a total of \$300 million.

The "more market" policies followed for the last thirteen years weren't able to prevent it. And now nobody has a clear idea of how to set the economy on its feet.

Winston Peters' compulsory private savings scheme will allow tax cuts for the rich. He also thinks it will also provide a new source of funds for company investment and reverse the profit dip.

His opponents disagree. They quote government statistician Len Cook, who said there wasn't any guarantee that compulsory super would increase the combined level of public and private saving for investment.

As the supporters of business scrap among themselves, they're still united in their intent to give retired people less, whether by miserly top-ups to individual savings or by means-testing pensions.

Under capitalism, the state will meet the needs of the working class elderly only to the extent that this suits the ruling class. And that's never enough.

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"No" to compulsory super, "No" to the Coalition

by GRANT BROOKES

The September referendum on the Coalition's compulsory super plan (or Retirement Savings Scheme, RSS) looks set to deliver a big "No".

The latest NBR-Consultus poll shows nearly twice as many opposed to the scheme as in favour. Only 30% supported the proposed RSS, while 55% were against it. This mirrors the widespread disapproval of the Coalition.

RSS is just another of the Coalition's handouts to the rich at the expense of the majority.

In a moment of candour, the business paper *National Business Review* admitted that RSS would see a "big upwards redistribution" of wealth, and said this is "the trademark of the government's social policy".

Under RSS, people will have 8% of their before-tax income deducted from their pay packets and deposited into a retirement fund. When their fund reaches \$120,000, compulsory deductions will stop.

Then at age 65, a person will be paid an "annuity" of 33% of "real wages" at the time.

The huge numbers who can't save this much will receive a small "top-up" from the government. This would be much less than they receive now.

Socialist Worker calls for a "No" vote in the super referendum.

Our reasons

■ **RSS penalises the majority to benefit the rich.**

Those on high incomes would reach the \$120,000 savings target in a few years, and then compulsory deductions from their income will stop. This would give them a tax cut of 8%.

Low-income earners, however, would keep paying out 8% for their whole lives because they will never reach the target. This means they'd never get a tax cut.

So while Telecom boss Rod Deane would get his tax break in just 12 months, an estimated 65% of the population will never receive one. And Deane wasn't even wealthy enough to make it onto

National Business Review's "Rich List".

■ **The cost of pensions would only be paid by individuals, letting companies off the hook.**

At present, company tax goes towards pensions. This wouldn't happen under RSS.

So the scheme is designed to deliver a tax break to companies so their profits are boosted.

■ **RSS would privatise superannuation.**

Money which now goes to government would instead go to private "fund management" companies.

These firms would cream off a huge slice of this money for directors' fees and shareholders' dividends.

The bosses of private fund management corporations currently scoop around 2% of other people's savings for themselves.

■ **RSS would put retirement savings at the mercy of market forces.**

The Coalition's plan is similar to the scheme imposed by Chilean military dictator General Pinochet.

In a moment of candour, the business paper *National Business Review* admitted that compulsory super would see a "big upwards redistribution" of wealth

In Chile, private pension fund companies lost 2.5% of people's savings in 1995 when the stock market nose-dived.

Private fund management companies in New Zealand also lost some of the money people had contributed in 1994-5.

Bill Birch and Winston Peters have both stated that funds that lose out due to "market fluctuations" won't be bailed out by government.



PETERS AND BOLGER: super salesmen

Retirement savings could be wiped out next time the stock exchange crashes like it did in 1987.

■ **RSS hits women unfairly.**

Women already face inequality under capitalism. They often have

income in student loan repayments would face another 8% on top.

■ **We can't trust the politicians to give us the promised "top-up".**

After a few years have gone by, would the politicians honour their promise to "top-up" workers' super?

A union journal put it perfectly: "The last 13 years has revealed that when it comes to superannuation politicians lie".

Why?

The government isn't putting forward the Retirement Savings Scheme because of an "aging population" in New Zealand.

Retired people need to be provided for regardless of whether their pension is public or private.

And the current Guaranteed Retirement Income is affordable for the foreseeable future, say most economists.

The real reason behind the RSS is a desire to cut government spending by a quarter by 2050 to fund tax cuts for the rich.

Jim Bolger said the Coalition wants to cut the top tax rate in 1999, and then hand out more in the years 2000, 2001 and 2002.

His belief that he might still be prime minister then is amazing.

Even Bolger had to admit that "all the polls up to now have suggested it will be a 'no' vote".

He's trying to appear relaxed about this in the hope that people won't think it indicates a protest vote against his government.

But the people down the bottom aren't fools. The latest NBR-Consultus poll showed that an unprecedented 78% of voters "disapprove" of the Coalition - and that's for reasons like the government's RSS plan.

A "No" vote in the September referendum will be a vote of no confidence in the Coalition government.

to take work which is casual and undervalued.

An estimated 90% of women would never save the \$120,000 needed to receive a tax cut.

The sexist double standards of capitalism are reinforced by RSS. Women who stay married, however unhappily, are rewarded by a guaranteed "top-up" regardless of their husband's income, while single mothers are currently being kicked into the labour market.

It's okay for married women not to work, but not for single mothers.

■ **Maori and Pacific Islanders are also hit unfairly.**

Maori and Pacific Islanders both suffer higher unemployment and lower wages. RSS would penalise them further.

At a meeting of Auckland's Polynesian community, a Samoan social worker said that most Polynesians would have "no show" of making ends meet if they had to contribute to the RSS.

■ **Students would be squeezed by more claims on their pay after graduation.**

Students who leave tertiary institutions paying 10% of their

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